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CANNED FRUIT FCAN 1-64 January 1964

AUSTRALIA'S CANNED FRUIT EXPORT MARKETING ACT AND ASSOCIATED LEGISLATION REVISED

In 1963, a number of bills were introduced in the Australian Parliament, providing for significant changes in the previously existing legislation on canned fruits export control. However, as the old Act had been in force since 1926, and amended several times, it was decided to repeal this Act in its entirety and introduce completely new legislation. Altogether four bills were introduced October 29, 1963 by the Minister of Trade, Mr. J. McEwen. The bills passed both Houses of Parliament without opposition or amendment.

The major bill, the Canned Fruits Export Marketing Bill 1963, was introduced by the Government following requests from the canned fruits industry for additional financing for the Export Control Board, and greater powers to be given it. The legislation provides for larger membership of the Board, increasing the representation of co-operative canners, private canners, and deciduous canning fruit growers from the present level of one member each to three each. As under the present legislation, one member will continue to represent the canneries producing canned pineapple, and one to represent the Commonwealth Government.

The major feature of the new legislation, however, is the provision for a levy on canned fruit consumed domestically, to provide funds for the Board to engage in promotional and other marketing activities overseas. This levy will be collected by the Department of Customs and Excise in the form of an excise tax, and paid to the Board for a special account established for these moneys. In addition, the Board has been granted the power to trade, and the funds described could be used by the Board to finance purchase of fruit offered by canners to the Board. Furthermore, the legislation provides for advances to the Board by the Reserve Bank of Australia to finance canned fruit purchases or for other purposes connected with marketing of canned fruits.

The Act stipulates that when the Board exports canned fruit on its own behalf, it shall insure, as far as is practicable, that such fruit is not shipped to the United Kingdom. In practice, it is not expected that the Board will purchase fruit in the course of its normal functions. As the Board is empowered to sell or "otherwise dispose of" canned fruit purchased from canners "on such terms and conditions as it thinks fit", it appears that this section was inserted primarily to permit the Board to engage in promotional sales at lower than normal prices or concessional rates in countries other than the United Kingdom. Although this may not be necessary in the immediate future, it would be a solution to any burdensome surpluses that could develop over the next few years.

The Excise Tariff Bill served to amend the Excise Tariff Act in accordance with the provisions of the Canned Fruits Export Marketing Act, and followed the introduction of Excise Tariff Proposals No. 3. This Bill imposes an excise duty on canned peaches, pears, apricots, and certain mixtures of these, to finance the export development program for the canned fruits industry. The excise duty rate ranges from 2.8 cents per dozen cans (when the contents do not exceed 5 ounces) to 22.4 cents per dozen cans (when the pack exceeds 24 ounces per can). In addition, for every 14 ounces by which a pack exceeds 31 ounces, an additional 9.3 cents per dozen cans is payable.

The Canned Fruit Excise Bill 1963 was complementary to the Excise Tariff Bill, and provides for machinery to collect the levy in conformity with normal marketing procedures now existing in the industry. The Bill permits removal of canned fruit from the cannery to other approved storage points without payment of the excise duty.

Canners, or other persons operating the approved storage points, will make payments to the Collector of Customs on the basis of monthly returns showing the quantities of fruit exported and sold on the home market. Drawback of the excise duty is permitted on fruit entered for domestic consumption and subsequently exported, or on fruit which became unfit for human consumption within twelve months after delivery.

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